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NATIONAL FARMERS UNION SUBMISSION

TO THE

UNPRESCRIBED WHEAT VARIETIES STUDY COMMITTEE

Saskatoon, Sask.

March 27, 1986

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NATIONAL FARMERS UNION

Submission

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INTRODUCTION:

The National Farmers Union is a voluntary membership organization of farm families. We are chartered under a federal Act of Parliament assented to June 11, 1970.

The concept of our organization is to unite farmers \underline{as} farmers under a single organization structure for the purpose of developing farm policy that will enable farmers to live \underline{with} one another rather than \underline{off} one another.

Unfortunately, that does not appear to be the situation with respect to the wholesale production of unprescribed wheat varieties that has in recent years invaded the prairie grain scene and threatens the credibility of our future grain export markets. <u>Some</u> farmers seem prepared to jeopardize the interests of all by pursuing short-term gain at the expense of others.

THE PROBLEM UNDER REVIEW:

On December 13, 1985, the Honorable Charles Mayer, Minister of State (Canadian Wheat Board), announced the appointment of this Committee "to examine the growing of unprescribed wheat varieties" and instructed it to "suggest courses of action to deal with this problem".

The Minister, of course, was himself part of "the problem". On April 2, 1985, in response to questioning in the House of Commons, he admitted to having grown semi-dwarf at his farm, one of them a licensed variety. (See Appendix A)

The Minister had previously announced (March 22) that unlicensed wheat varieties delivered to elevators in the 1985-86 crop year would be segregated from other wheat and that an initial price would also be established for it. Grain companies were also required to designate

specific elevators for delivery of unlicensed wheat. He estimated 2 million acres of unlicensed varieties would be seeded in 1985.

The announcement of these measures were worked out by a committee made up of farmers, grain company officials, Wheat Board and Canadian Grain Commission representatives.

These actions were of small comfort to our organization. In effect it was lending credibility to the production of these types of wheat and compounding the problem.

In his resignation statement of February 25, 1986, as Chief Commissioner, Canadian Grain Commission, H. D. Pound stated in part as follows:

"I wish my successor well. The next Chief Commissioner's job will be to ensure that buyers of Canadian grains and oilseeds can continue to depend on the integrity of Canada's "Certificate Final". That guarantee depends on the visual identification factors, backed up by laboratory analysis.

"It is imperative that an eagerness to introduce higher yielding varieties does not result in visually indistinguishable varieties of inferior quality becoming mixed with the classes and grades of grain that the Canadian grain industry currently ensures are of uniform quality.

"Until sophisticated technologies to distinguish these new varieties are a reality, Canada must hold to its strict quality standards as established under the current system. It is my hope that the Canadian Grain Commission will continue to resist undue pressures that could damage Canada's good reputation which has been built up over many years among international buyers of Canadian grains and oilseeds."

This type of warning cannot be ignored.

Canada already produces HY 320, a licensed short-strawed wheat which is readily distinguishable by sight from regular varieties of hard red springs. Tests have proven that it outperforms unprescribed U.S. varieties.

This wheat has been produced under contract with the Canadian Wheat Board up until this year. Because of the grain's slow acceptance by foreign customers, the Board is discontinuing its contract program, which in 1985-86, represented 225,000 acres. It was recently estimated

by a Board official that an additional 225,000 acres of HY 320 had been grown outside of contract.

Large quantities of low grade feed grains, including wheat, were produced in 1985 as a result of poor harvesting weather. The proliferation of unprescribed varieties has seriously compounded the problem. By turning a "blind eye" to the production of unprescribed varieties for an unknown number of years, we are now confronted by a major threat to our entire wheat export market.

Questions remain unanswered. When and how did these wheat varieties enter Canada and who brought them here? Where were the federal plant products inspectors? Surely these unprescribed varieties must have entered the country by the truckload. Were they entered under false declarations or smuggled? Why has no one been prosecuted?

This winter, numerous advertisements appeared in the Western Producer offering unprescribed wheat for sale as seed. A telephone enquiry indicated it was Oslo and the asking price was \$8.50 per bushel. (See Appendix B) Why has the government, while the issue is under study, permitted the expanding pollution of our grain land with these inferior wheats when the obvious market demand is for our high quality of wheats? The unchallenged spread of these semi-dwarf wheats is tantamount to potential sabotage of our world reputation as reliable suppliers of high quality wheat if for some reason its presence cannot be detected quickly enough prior to export.

In a presentation to the Canadian Wheat Production Symposium, Saskatoon, March 2-5, 1986, <u>Dr. K. H. Tipples</u> of the C.G.C. Grain Research Laboratory stated as follows in respect to the U.S. semi-dwarf problem of indistinguishable visual characteristics:

Why do we have to have this requirement for visual distinguishability? Primarily it is related to the operational requirement for monitoring terminal elevator receipts (rail car unloads) and shipments (cargoes) as well as producer deliveries to primary (country) elevators. There are many links in the transportation chain where the potential for mixing exists. Currently visual distinguishability is the only fast and immediate test that can satisfy the operational requirement. Although the CGC's Grain Inspection Division repeatedly bears the brunt of the abuse for the visual distinguishability requirement, in fact it is the Canadian grain handling system that imposes this constraint.

At the producer level it may come as a surprise to many that some producers literally do not know what variety of wheat they have. They may think they know, but we have seen recent examples where producers think they have variety A and it turns out to be variety B. We have even seen cases where producers have been very upset because they thought they were buying seed of (say) Marshall, a U.S. semi-dwarf, and it turned out to be (say) Neepawa.

An affidavit delivery system will not be a viable proposition until such time as a rapid and definitive method can be put in place operationally to monitor producer and rail carlot deliveries. Such a method is not on the horizon at present and until one does become available the visual distinguishable ability constraint must remain.

It is still more disconcerting to realize that the U.S. semidwarfs of the types now being championed in this country are held in very poor regard in the U.S. itself.

In a paper presented to the Thirteenth Farm Leaders' Course, March 4, 1986, <u>Dr. C.J. Dempster</u>, Head of Investigations and Information of the C.G.C.'s Grain and Laboratory Services, stated as follows:

Over the years, in particular through Canadian Grain Commission collaboration in spring wheat variety tests carried out by the U.S. Crop Quality Council, we have seen U.S. Spring Wheat users experience major problems caused by introduction of undesirable varieties such as Red River 68 (unacceptably long mixing requirements) and Era (very low protein content and poor quality). The Americans cast envious eyes at the Canadian system and have made efforts through FGIS to follow Canadian grading procedures. It is interesting that the Americans themselves rate many of their varieties as having poor quality.

For example, in a December 1982 circular (A.170 Revised) of the Co-operative Extension Service of North Dakota State University and USDA, a listing was published of 41 hard red spring wheat varieties released between 1969 and 1982. They included 25 semi-dwarfs and of these, 13 were listed as having "low protein" and "poor quality". These included Marshall, Wared, Prodax, Solar, Newana, Oslo and Walera. In three more cases quality information was not available. The bulletin contained the statement: "If lower quality varieties of a particular crop are grown the demand for that crop from that region may be reduced resulting in lower prices."

The semi-dwarf wheat varieties grown in the U.S. hard red spring wheat area are released with no consideration of quality. As potential candidates for licensing into the CWRS wheat class in Canada they range from completely unacceptable (e.g. Era) to good quality (e.g. Len and Stoa), worthy of inclusion in advanced tests such as the Central Bread Wheat "B" and Co-op tests.

Marshall has better quality than Era and Solar, but is still unacceptable for the CWRS class primarily on the basis of lower protein content and low absorption. In the 1983 Canadian High

Yield Co-op Test Marshall outyielded Neepawa by 23.3% across Western Canada but flour protein was lower by 1.6 percentage units. Interestingly, Marshall and HY 320 had almost identical mean yields."

In light of all the overwhelming evidence that exists indicating the inferior quality of many U.S. semi-dwarfs, there surely is only one obvious solution. We must become masters in our own country.

The NFU Board of Directors has gone on record opposing the production of unprescribed short-strawed varieties of wheat for the purpose of delivery to primary elevators and/or grain terminals.

It also recommends that the penalty for the delivery of unprescribed short-strawed varieties of wheat to primary elevators and/or terminals result in the suspension of the primary producer's C.W.B. delivery permit book for the remainder of the crop year and the next following crop year.

We request your support for these recommendations.

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All of Which is Respectfully Submitted by:

NATIONAL FARMERS UNION



CANADIAN WHEAT BOARD

PLANTING OF UNLICENSED VARIETIES OF WHEAT

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of State for the Canadian Wheat Board. He will know that plantings of the unprescribed short straw wheat varieties in western Canada went up over 500,000 acres last year and are expected to make up some 7 per cent of the total spring wheat acreage on the Prairies this year. There is real concern among farmers that the superior quality of Canadian wheat may be placed in jeopardy through the increasing use of these varieties. We also know that the Minister has established a committee to find ways of legitimizing the use of these wheats which are not now licensed. Can he tell us his personal experience with these kinds of varieties? Have they been grown in his area or on his farm? What is the Minister's experience with them?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, if you want to hear my experience, I have had a permit book for 30 years. I believe the Hon. Member who asked the question is the only farmer in the two opposition Parties across the way, and I would certainly be happy to swap yarns with him about farming if he wishes.

Some Hon, Members: Oh, oh!

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Mr. Mayer: Let me talk a little bit about what we have done. It is anticipated that acreage will go up this year. We announced a week ago Friday a system whereby we are not legitimizing these varieties. We are not encouraging people to grow them, and we are not discouraging them. We are simply acting as adults in recognizing that there is a potential problem.

If we continue to grow these unlicensed varieties, it can cause us to lose some of our reputation in the international market. None of us want to see that. We are not legitimizing their growing, we are simply recognizing that these varieties will be grown. We have sat down as adults and tried to use some common sense to develop a system that will avoid some of the problems to which the Hon. Member refers.

MINISTER'S POSITION

Mr. Vic Althouse (Humboldt-Lake Centre): I had asked the question quite specifically, Mr. Speaker, because there are some concerns among farmers in the grain industry that the Minister himself may have been growing such varieties.

Some Hon. Members: Oh, oh!

Some Hon. Members: Shame!

Mr. Althouse: If so, I thought it seemed unusual for him to have taken on this job since it generally falls within the purview of the Minister of Agriculture. Could the Minister assure us that he is operating at a full arm's length in this particular area, that he has not been involved in production of such grains, and that he is not leaving the impression in the farm community that he is finding a way to legitimize his own past practice?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I plead guilty as charged. I am in all kinds of conflict of interest. I am a farmer myself, and I am trying to act in the best interests of farmers.

Oral Questions

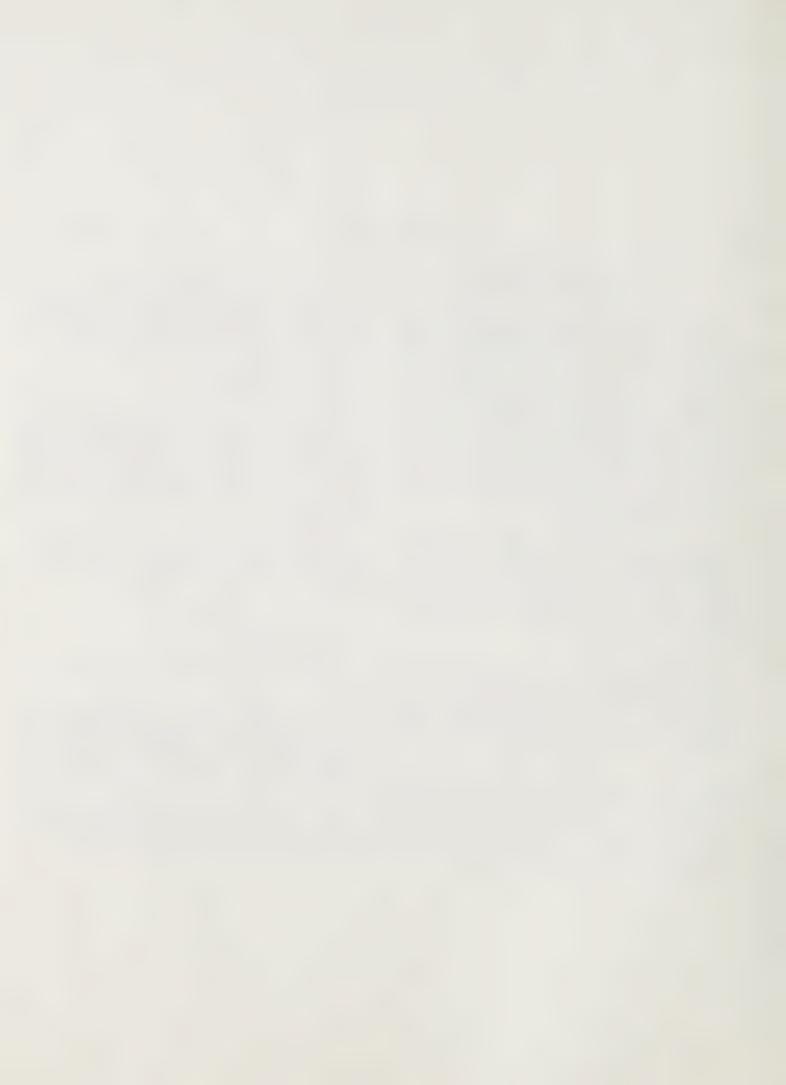
Some Hon. Members: Hear, hear!

Some Hon. Members: More!

Mr. Speaker: Does the Minister have an answer to the question?

Mr. Mayer: If the Hon. Member is telling me that he does not want me to fight for as large a payment out of the Western Grain Stabilization Act as possible, and if he is telling me that he doesn't want me to get the payment out as quickly as possible because that is a conflict of interest, then that frankly surprises me.

Let me tell the Hon. Member that I have grown semi-dwarf at my place, one of them a licensed variety called fielder. It is grown all over the Prairies. It is licensed, and it is grown particularly in the irrigation areas of southern Alberta.



APPENDIX B

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World wheat quality could be boon to U.S.

RENO, Nevada (Reuters) — Crop problems in recent months in Canada and Argentina have sharply reduced world supplies of high quality wheat, which could increase demand for U.S. wheat, E.F. Hutton meteorologist Gail Martell told the National Association of Wheat Growers annual meeting.

"Canada had terrible problems with their harvest," she said.

Severe fall weather made the Canadian harvest one of the latest in 10 years, and only 20 percent of the crop graded No. 1, compared with about 65 percent in the previous two years.

Record high rainfall in parts of Argentina have cut that country's wheat output by one-third, and the quality of the crop is poor, she said.

In addition, Australia had some problems early in the recent harvest campaign before the weather improved, and 25 to 30 percent of the crop in New South Wales, Australia's largest producing state, might have to be downgraded.

The lack of high-quality crops in other major wheat producing countries could force buyers to come to the U.S. market, Martell said.

"Australia and France have been the strongest sellers of wheat in the last couple of months," she said. "They have quality wheat, but their supplies may be running low, and some of that business could come to the U.S."

She added: "France had a very dry fall, which could be a problem for yields this year," and European Community wheat supplies could shrink this year.

The winter wheat crop in the Soviet Union, one of the largest wheat importers in past years, is off to a good start after abovenormal precipitation last fall. However, recent warm temperatures in some wheat areas has probably melted snow cover, which could lead to winterkill.

In China, a drought last summer in the rice belt could prompt wheat imports as an alternate food source, Martell said.

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